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SUBJECT: MY BAD: CHILE'S AMBASSADOR TO VENEZUELA OFFERS
RESIGNATION, BACHELET ACCEPTS

REF: SANTIAGO 425

Classified By: Ambassador Craig Kelly for reasons 1.5 (b and d).

¶1. (U) Chile's ambassador to Venezuela, Claudio Huepe, returned to Santiago early the morning of March 15 and, after a 11:00 a.m. meeting with Foreign Minister Foxley, offered his "irrevocable resignation." President Bachelet accepted it. Huepe's exit was expected, coming only days after his remarks in a Caracas television interview - heavily publicized here - in which he claimed Bachelet had told him she had wanted to vote for Venezuela in last fall's UNSC election (reftel). She had not, she purportedly told Huepe, due to internal coalition dissent within the Concertacion. This was a direct contradiction of Bachelet's public rationale that the vote was based solely on Chile's foreign policy interests.

¶2. (U) In a statement to the press, Huepe said he had decided to resign because his Caracas interview had "provoked a political storm that I never sought, nor thought would develop." Huepe further muddled the waters by reversing himself and saying that Bachelet had in fact said to him what she had been saying publicly: That Chile would not vote for Venezuela because there was no regional consensus on its candidacy.

¶3. (U) Foxley, in his own statement following the meeting with Huepe, said that he personally lamented his "good friend" Huepe's departure, noting that Huepe had done a good job of strengthening Chile-Venezuela relations. In declaring the matter "closed," Foxley observed, that "It escapes no one that while we were seeking consensus (on the UNSC vote), there was internal debate in political sectors. This debate was neutralized by the President on the basis of only one consideration: the interests of Chile."

¶4. (C) The Ambassador spoke with Foxley the evening of March 15 on several matters (septel). On this issue, the FM shook his head. "Huepe made a mistake, and he knew it." Foxley said that Huepe had been well-liked by all but that Huepe himself had admitted that "he (Huepe) was not able to make the transition from politician to diplomat." (Huepe's immediate superior, Ambassador Juan Pablo Lira, had made a similar observation to E/POL Counselor March 14, noting that "Diplomats know what to say and what not to say." Lira had also expected Huepe to be removed for his indiscretion.)

¶5. (C) Foxley also noted that Huepe commented that Venezuelan president Chavez now saw Chile as a "challenger" for influence in Latin America. Although Bachelet was a fellow socialist, she offered a "competing vision" for development. For Chavez, such competition was a zero-sum game.

¶6. (C) Comment: Foxley's comments on Huepe's dismissal only confirm what everybody in Chile knew, but Huepe to his chagrin announced: that Bachelet's UNSC vote was influenced by politics. We find at least as interesting Huepe's analysis of Chavez's discomfort with Chile's more successful "socialist" model. Foxley has made clear to us that he intends to keep making the point in the region that the Chilean path works. End comment.

KELLY